



ROBERT L. EHRLICH, JR.  
GOVERNOR  
STATE HOUSE  
100 STATE CIRCLE  
ANNAPOLIS, MARYLAND 21401  
(410) 874-3901  
(TOLL FREE) 1-800-811-8336  
TTY USERS CALL VIA MD RELAY

The Honorable Thomas V. Mike Miller, Jr.  
Senate President  
State House  
Annapolis, MD 21401

Dear Mr. President:

In accordance with Article II, Section 17 of the Maryland Constitution, I am allowing Senate Bill 836 – *Maryland Patients' Access to Quality Health Care Act of 2004 – Implementation and Corrective Provisions* to become law without my signature.

Senate Bill 836 is designed to correct flaws contained in House Bill 2 of the Extraordinary Session of 2004. I pointed out these flaws in my veto message to House Bill 2 and there is no reason for me to detail these defects here. Accordingly, the corrections contained in Senate Bill 836 represents an almost inconsequential step in the right direction of needed reform.

However, the failure of this bill will have devastating consequences to the Medical Mutual Liability Insurance Society, possibly to the point of making it insolvent in the near future. Other private physician medical malpractice insurers will likely leave the State if this bill is not enacted. I cannot allow these events to occur and, therefore, will allow this bill to take effect without my signature.

Senate Bill 836 fails to address the underlying causes of the medical malpractice crisis in Maryland. There are no legal reforms in this bill. It perpetuates the fundamental flaw in House Bill 2 of establishing a State subsidy of medical malpractice insurance premiums without long-term reform.

Milliman Consulting, an international actuarial and consulting firm, has determined that House Bill 2 will result in a paltry premium savings of 2.9% on medical malpractice rates. Milliman also projected what the medical malpractice premiums will be for various physician specialties for the coming years. The projections are profoundly disturbing. For example, without any legal reforms, medical malpractice rates will increase 108% by 2009, with the rates for obstetricians increasing from \$153,000 to \$318,000. The 2.9% savings in House Bill 2 would only lower this premium to \$308,000 for Maryland's obstetricians. I fear there will be very few obstetricians wanting to continue their practice should this result come about.



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March 31, 2005  
Page 2

For the 2005 session I have introduced Senate Bill 221/House Bill 301, the Maryland Medical Injury Compensation Reform Act. This bill establishes reasonable limits on compensation and makes other common sense changes to the legal system. Milliman estimates this bill will result in a premium savings of 18.8%. By 2009 this will save obstetricians \$50,000, resulting in an annual premium of \$258,000. I urge the General Assembly to pass this bill.

Unless adequate legal reforms are enacted, the State will be faced with two unpalatable choices in the near future. The first will be to continue and most likely increase taxpayer subsidies for doctors and other health care providers. The second will be to allow the premium subsidies to end, resulting in exorbitant increases in medical malpractice premiums with potentially devastating effects on our health care system. Neither result is acceptable. Both can be avoided by enacting adequate legal reforms now.

I urge the General Assembly to pass Senate Bill 221/House Bill 301 to help preserve access to quality health care in the State.

Very truly yours,

A handwritten signature in black ink that reads "Robert L. Ehrlich, Jr." with a stylized flourish at the end.

Robert L. Ehrlich, Jr.  
Governor